

# Notes on the South Pacific

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For many years those of us teaching about multi-national penetration of the Pacific region have faced a dearth of information and research. International Development Action (IDA), the Melbourne-based research group, had performed a major contribution by producing, in 1973, their Fiji: A Developing Australian Colony, a publication that has achieved a kind of legendary status in the Pacific and which is presently being revised.

The importance of the region, which together with Southeast Asia forms the South and Western half of the Pacific rim, had not escaped the attention of the corporate giants who, in 1967, formed the Pacific Basin Economic Council (PBEC). The PBEC now has over 400 corporate members drawn mainly from the U.S., Japan, Australia, Canada and New Zealand. The particular role of Australia in this historical reorganisation of international capital was highlighted as early as 1973 when the American Chamber of Commerce in Australia carried out a survey of 170 of the leading U.S. corporations operating in Australia and showed that virtually all of them had begun to use Australia as their regional headquarters.<sup>1</sup> Of the firms covered in the survey, 91% had already begun to operate from Australia into New Zealand, 71% into Papua New Guinea, 59% into Fiji, 52% into New Caledonia, 50% into New Hebrides, and then in descending order of frequency:

Indonesia	47%	Laos	20%
Singapore	43%	Japan	17%
Malaysia	40%	Ceylon	16%
Samoa	36%	India	16%
Thailand	32%	Korea	16%
Phillipines	31%	Guam	12%
Hong Kong	30%	Okinawa	12%
Tahiti	29%	China	12%
Nauru	26%	Pakistan	11%
Vietnam	23%	Bangladesh	9%
Borneo	23%	Nepal	8%
Burma	22%	South Africa	6%
Cambodia	22%	Africa	3%
Taiwan	21%	Middle East	1%

Since 1973 there has been even greater regional consolidation, but we have had to await the early eighties for a series of studies that focus on this phenomenon and on other developments within the region.<sup>2</sup>

Several monographs have been published this year that highlight the nature of multinational penetration of the Pacific region. The most useful this far are James Winkler's Losing Control: Towards an Understanding of Transnational Corporations in the Pacific Islands Context, published by the Pacific Conference of Churches,<sup>3</sup> and G.J. Crough and E.L. Wheelwright,

Transnational Corporations and The Pacific, TNC Research Project, University of Sydney, Working Paper No. 12 (price: \$7.50). Both of these monographs complement one another in giving a broad overview of the growing importance of this region to the world economy; a shift signalling the end of the dominant role held by the North Atlantic in world trade. Winkler's monograph is particularly well suited for teaching given its well-illustrated presentation, its frequent use of local examples, and its treatment of such Australian-based companies as Burns Philp and W.R. Carpenter. As well, it ably dissects the manner in which such industries as mining, fishing, forestry, tourism and consumer commodities have been developed so as to maximise corporate profit and to allow as little wealth as possible to 'trickle-down'. Of similar usefulness is the series edited by Ernst Utrecht, Transnational Corporations in S.E.A. and the Pacific, (Transnational Corporations Research Project, University of Sydney) of which some five volumes have already appeared with two more in print or preparation.

Within the Pacific region itself, there has been the production of another monograph that one would think would complement the above studies: R.T. Carstairs and R. Deo Prasad's Impact of Foreign Direct Private Investment on the Fiji Economy (Centre of Applied Studies in Development, University of the South Pacific, November, 1981). However, this latter study, whose senior author is Project Fellow of the School of Business Studies, Darling Downs Institute of Advanced Education, is one that argues that the multinational presence in Fiji has been a largely beneficent one. The faulty reasoning lying behind the study, and the sloppy methodology employed in order to substantiate the comprador viewpoint, have been severely criticized in an article entitled "Not So Surprising Truths About Multinational Corporations in Fiji", authored by the staff of the Sociology Discipline of the University of the South Pacific. The critique appeared in a special "multinational corporation" issue of their Newsletter (No. 2, April 1982), the official publication of the Sociological Society of the University of the South Pacific. In August 1982 the third number of the USP Sociological Society Newsletter appeared with articles on the sugar industry, the logging industry, Free Trade Zones, as well as articles dealing with economic and cultural domination in the Pacific.<sup>4</sup>

What is clear from the publications that have appeared over the last year - and one might also mention IDA's excellent A Touch of Australian Enterprise: The Vanuatu Experience<sup>5</sup> - is that research on the Pacific is of pressing need if we are to gain a clearer understanding of a region that has had a significant history of capitalist economic domination; a domination that has historically used Australia as an important regional locus of control. In particular, the fact that many Pacific-related decisions are being increasingly made in Australia should make us all aware of the need to analyse the implications for the whole region of the economic decisions made within Australia. And, just as we have become aware of the manner in which U.S. influence within Australia became manifest not only through corporate economic penetration, but also through academia, culture and through a re-organisation of a whole way of life,<sup>6</sup> so too does Australia's contributory role in structuring Pacific economies need careful analysis. In particular, the relationship of U.S. capital (often Australia-based) to the increasingly aggressive Japanese corporate presence, needs much closer monitoring. In addition, the Australian government is now becoming one of the largest "aid" donors in the region with some 116 projects under Bilateral

agreements in the 1980-81 period alone,<sup>7</sup> as well as being a site for the training of the region's future military and administrative elites. In this, it is reflecting its role as a staging point, first for British, then for U.S., capital in the region. For Australian political economists to ignore these developments will lead to weaker political analysis and a lessened capacity to co-operate actively with the social movements in the region that are seeking to highlight a need for regional co-operation in confronting the integration of international capital in the region. Such regional integration as has already occurred historically seeks to structure further the dependence of local economies and to extract local wealth for the benefit of foreign elites and their local comprador allies.

Finally, mention should be made of Suliana Siwatibau and B. David Williams, A Call to a New Exodus: an Anti-Nuclear Primer for Pacific People.<sup>8</sup> This handsomely illustrated 96 page volume examines the health and environmental implications of the nuclear militarization of the whole of the Pacific and the growing nuclear power industry on the Western Pacific Edge. All too often scholarly work on the left neglects the production of approaches that are accessible to ordinary people whose support is vital for political momentum and eventual success. This volume is an excellent model of the way in which complex scientific and political arguments can be presented in a clear and informative manner to ordinary adults and high school students. Its widest distribution within Australia is much to be desired if a Pacific perspective to the anti-nuclear struggle is to be encouraged and promoted.

#### FOOTNOTES

1. "Australia's Appeal as a Regional Centre: Australia is Regional Headquarters for 170 U.S. Firms", Commerce (Official Journal of the American Chamber of Commerce in Australia), September/October 1973, p. 13 ff.
2. A particularly noteworthy exception to this neglect has been the U.S. journal Pacific Research (address: Pacific Studies Centre, Mountain View, California), which has run much useful material over the years on the Pacific. See for example, their special two-part series, "Oceania in the World System" by Walter Cohen, Pacific Research, Vol. VIII, Nos. 4-5 (May/June-July/August, 1977).
3. Orders from Lotu Pasifika, P.O. Box 208, Suva, Fiji:  
Price: \$2.00 plus postage.
4. Copies available from the Head of Department, Sociology, USP,  
P.O. Box 1168, Suva, Fiji.
5. International Development Action, Melbourne, 1982, 52 pp (\$2.50 plus 30% postage and handling, from IDA, 73 Little George St., Fitzroy VIC 3065). A Touch of Australian Enterprise is written for IDA by Mike Bishop and Ann Wigglesworth and looks particularly at Burns Philp's often questionable role in the history of Vanuatu. A nice companion piece is K. Buckley and K. Klugman's The History of Burns Philp, (published in 1981 by Burns Philp and Co. itself), which reveals in this first volume of company history the many-faceted nature of Australian imperial activities in the region until World War I.

6. On this, see my "United Myths of America", in P. Hiller (ed.) Class and Inequality in Australia, Harcourt, Brace, Jovanovich, Melbourne, 1981.
7. See Australian Development Assistance Bureau, Department of Foreign Affairs, Development Co-operation, Bilateral Program 1980-81, AGPS, Canberra, 1981.
8. Pacific Conference of Churches, Suva, 1982, price: \$4.00 plus postage, from Lotu Pasifika, P.O. Box 208, Suva, Fiji. Church groups are becoming particularly active in raising moral issues in quite explicit political terms in the Pacific. The work being carried out by the Pacific Conference of Churches is being complemented in Australia by Church publications such as that examining aspects of imperialist influence in the Pacific edited by Vaughan Hinton (Tides of Change: Pacific Christians Reveal Their Problems and Hopes, Joint Board of Christian Education in Australia and New Zealand (177 Collins Street, Melbourne Vic. 3000,), 1981).



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